

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 COME-00 TRSE-00 EB-08 CIAE-00

DODE-00 PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05

PA-01 SP-02 SS-15 USIA-06 AGRE-00 AID-05 /072 W

-----116608 152032Z /41

R 150958Z MAR 78

FM AMEMBASSY LUSAKA

SECSTATE WASHDC 7855

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E.O. 11652: N/A

TAGS: EAID, EIND EAGR EPAP ZA

SUBJ: WORLD BANK OFFERS ZAMBIA PAPER MILL PROJECT

1. THE WORLD BANK HAS OFFERED ZAMBIA A PULP MILL PROJECT VALUED AT APPROXIMATELY \$107 MILLION. THE ANNOUNCEMENT WAS MADE BY A WORLD BANK INDUSTRIAL PROJECTS DEPARTMENT ENGINEER, MR. ANDREW EWING, WHO SAID THAT FEASIBILITY STUDIES INDICATE THE PROJECT WOULD BE ECONOMICAL. THE MILL WOULD INITIALLY PRODUCE PAPER TO BE USED FOR PACKAGING BUT WOULD EVENTUALLY MANUFACTURE OTHER ITEMS SUCH AS NEWSPRINT. THE PROJECT IS DESIGNED TO SAVE ZAMBIA FOREIGN EXCHANGE NOW USED TO IMPORT PAPER PRODUCTS.

2. THE MILL IS AN EXTENSION OF A WORLD BANK FORESTRY DEVELOPMENT PROJECT AIMED AT PLANTING 15,000 HECTARES OF PINE, 2,500 HECTARES OF EUCALYPTUS, AND REPLANTING 2,000 HECTARES OF CLEAR FELLED PLANTATIONS IN NDOLA. THE WORLD BANK LOANED ZAMBIA SOME \$17 MILLION FOR THAT PROJECT LAST YEAR.

3. ACCORDING TO MR. EWING, THE MILL PROJECT HAS BEEN OFFERED TO ZAMBIA BUT THE GRZ HAS NOT YET REACHED A DECISION TO GO AHEAD WITH IT.

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4. COMMENT: THE WORLD BANK ANNOUNCEMENT SHOULD PROVIDE A PSYCHOLOGICAL LIFT FOR ZAMBIA. THE ECONOMIC NEWS HAS BEEN ALL BAD LATELY WITH PREDICTIONS OF FURTHER DECLINE. IF NOTHING ELSE, THE WORLD BANK PROJECT CAN BE USED AS EVIDENCE BY THE GRZ OF CONTINUED CONFIDENCE IN ZAMBIA BY THE INTERNATIONAL FINANCIAL COMMUNITY. IT IS THE FIRST SUCH

EVIDENCE IN QUITE A WHILE.

LOW

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PAPER INDUSTRY, BANK LOANS, PROGRAMS (PROJECTS), PULPS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
From: LUSAKA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t19780366/aaaacdza.tel
Line Count: 64
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5653cec6-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
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TAGS: EAID, EIND, EAGR, EPAP, ZA, IBRD
To: STATE
Type: TE
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Review Markings:
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